House File 618 - Introduced

HOUSE FILE 618

BY ISENHART, BROWN-POWERS, and FORBES

A BILL FOR

- 1 An Act relating to opioid abuse prevention and treatment by
- 2 creating an opioid abuse prevention and treatment workgroup
- 3 and excise tax on the gross receipts of certain controlled
- 4 substances sold at wholesale and providing for the transfer
- of the excise tax revenues to a newly created fund.
- 6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 1 Section 1. <u>NEW SECTION</u>. 135.191 Opioid abuse prevention 2 and treatment fund.
- An opioid abuse prevention and treatment fund is created
- 4 in the state treasury under the control of the department. The
- 5 fund is established to expand treatment and access to opioid
- 6 use disorder and to assist opioid drug abuse prevention and
- 7 treatment programs in the state including but not limited
- 8 to medication-assisted treatment programs that provide
- 9 appropriate holistic services, treatment programs licensed
- 10 in the administrative rules of the department, in accordance
- 11 with programs sponsored by community organizations, programs
- 12 that provide emergency responders with affordable access
- 13 to opioid antagonists, and programs that assist in paying
- 14 treatment costs for individuals who are ineligible for Medicaid
- 15 services or private insurance coverage. The fund shall also
- 16 provide support for the expansion of substance abuse and pain
- 17 management curricula at the university of Iowa college of
- 18 medicine, evidence-based public health research on nonnarcotic
- 19 pain treatment and management alternatives, and expanded mental
- 20 health and substance abuse education and training for emergency
- 21 medical care providers as defined in section 147A.1.
- 22 2. Distribution of moneys from the opioid abuse prevention
- 23 and treatment program shall be made to eligible applicants in
- 24 the following order of priority:
- 25 a. A public entity, including but not limited to a state,
- 26 county, or local community health clinic and federally
- 27 qualified health center, or a public health agency, as
- 28 defined in section 135.154, that provides opioid use disorder
- 29 treatment.
- 30 b. A nonpublic entity that, in addition to opioid use
- 31 disorder treatment services, provides required primary health
- 32 services as described in 42 U.S.C. §254b(b)(1)(A).
- c. A nonpublic entity that provides opioid use disorder
- 34 treatment but does not provide required primary health services
- 35 as described in 42 U.S.C. b(b)(1)(A).

- 1 3. The fund shall consist of all moneys deposited in the
- 2 fund pursuant to section 423G.4 and any other moneys available
- 3 to, obtained, or accepted by the department for placement in
- 4 the fund. Moneys in the fund are not subject to section 8.33.
- 5 Notwithstanding section 12C.7, interest or earnings on moneys
- 6 in the fund shall be credited to the fund.
- 7 Sec. 2. NEW SECTION. 135.192 Opioid abuse prevention and
- 8 treatment workgroup.
- 9 1. An opioid abuse prevention and treatment workgroup shall
- 10 be established by the state board of health. The workgroup
- 11 shall be composed of nine members appointed by the governor
- 12 based on recommendations by the department, including the
- 13 following:
- 14 a. One physician licensed under chapter 148.
- b. One pharmacist licensed under chapter 155A.
- 16 c. One social worker licensed under chapter 154C.
- 17 d. One advanced registered nurse practitioner licensed under
- 18 chapter 152.
- 19 e. One representative of a county board of health.
- 20 f. One representatives of a substance abuse treatment
- 21 program licensed under chapter 125.
- g. One person who has been treated for and has recovered
- 23 from opioid abuse.
- 24 h. Two persons who are not licensed to practice medicine,
- 25 pharmacy, social work, or nursing who shall represent the
- 26 general public.
- 27 2. The workgroup shall do all of the following:
- 28 a. Promote meetings and programs for the discussion of
- 29 methods to reduce opioid abuse and disseminate information
- 30 in cooperation with any other department, agency, or other
- 31 governmental or nongovernmental entity on the prevention,
- 32 evaluation, care, treatment, and rehabilitation of persons
- 33 affected by opioid abuse.
- 34 b. Study and review current prevention, evaluation, care,
- 35 treatment, and rehabilitation programs and strategies and

- 1 recommend appropriate preparation, training, retraining, and
- 2 distribution of personnel and resources in the provision of
- 3 services to persons with opioid abuse issues through treatment
- 4 programs licensed in accordance with the administrative rules
- 5 of the department.
- 6 c. Make recommendations to the department to expend moneys
- 7 deposited in the opioid abuse prevention and treatment fund
- 8 created in section 135.191 to carry out the recommendations of
- 9 the workgroup in accordance with section 135.191, subject to
- 10 the approval of the department.
- 11 d. Meet at least quarterly.
- 12 e. Make recommendations regarding approval by the state
- 13 board of health of administrative rules for adoption by the
- 14 department pursuant to chapter 17A.
- 15 3. The department may receive gifts, grants, or donations
- 16 made for any of the purposes of the workgroup's duties and
- 17 disburse and administer them in accordance with their terms.
- 18 Sec. 3. NEW SECTION. 423G.1 Definitions.
- 19 1. For purposes of this chapter, unless the context
- 20 otherwise requires:
- 21 a. "Gross receipts" means the total revenues received from
- 22 the wholesale sale of schedule II controlled substances to
- 23 practitioners in this state.
- 24 b. "Practitioner" means the same as defined in section
- 25 124.101.
- 26 c. "Schedule II controlled substance" means a controlled
- 27 substance listed in the schedule provided in section 124.206.
- 28 d. "Wholesaler" means a person other than a distributor or
- 29 distributing agent who engages in the business of selling or
- 30 distributing schedule II controlled substances to practitioners
- 31 in this state, for the purpose of resale.
- 32 2. All other words and phrases used in this chapter and
- 33 defined in section 423.1 have the meaning given them by section
- 34 423.1 for purposes of this chapter.
- 35 Sec. 4. NEW SECTION. 423G.2 Tax imposed.

- 1 A tax of five percent is imposed on the gross receipts of
- 2 a schedule II controlled substance sold at wholesale to a
- 3 practitioner in this state. The tax imposed under this section
- 4 shall be collected and paid over to the department by the
- 5 wholesaler.
- 6 Sec. 5. NEW SECTION. 423G.3 Administration by director.
- 7 l. The director of revenue shall administer the excise tax
- 8 on the gross receipts of schedule II controlled substances as
- 9 nearly as possible in conjunction with the administration of
- 10 the state sales and use tax law, except that portion of the law
- 11 that implements the streamlined sales and use tax agreement.
- 12 The director shall provide appropriate forms, or provide on the
- 13 regular state tax forms, for reporting tax liability pursuant
- 14 to this chapter.
- 15 2. The director may require all wholesalers subject to tax
- 16 liability under this chapter to register with the department.
- 17 The director may also require a tax permit applicable only to
- 18 this chapter for any wholesaler not collecting taxes under
- 19 chapter 423.
- 3. Section 422.25, subsection 4, sections 422.30, 422.67,
- 21 and 422.68, section 422.69, subsection 1, sections 422.70,
- 22 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection
- 23 1, and sections 423.23, 423.24, 423.25, 423.31 through
- 24 423.35, 423.37 through 423.42, and 423.47, consistent with
- 25 the provisions of this chapter, shall apply with respect to
- 26 the tax authorized under this chapter, in the same manner
- 27 and with the same effect as if the excise tax on the gross
- 28 receipts of schedule II controlled substances by a wholesaler
- 29 was a retail sales tax within the meaning of those provisions.
- 30 Notwithstanding this subsection, the director shall provide for
- 31 quarterly filing of returns and for other than quarterly filing
- 32 of returns both as prescribed in section 423.31. All taxes
- 33 collected under this chapter by a wholesaler are deemed to be
- 34 held in trust for the state of Iowa.
- 35 Sec. 6. NEW SECTION. 423G.4 Deposit of revenues.

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- 1. All moneys received and all refunds shall be deposited in 2 or withdrawn from the general fund of the state.
- 3 2. Subsequent to the deposit in the general fund of the
- 4 state, the department shall transfer the revenues collected
- 5 under this chapter to the opioid abuse prevention and treatment
- 6 fund created in section 135.191.
- 7 EXPLANATION
- 8 The inclusion of this explanation does not constitute agreement with 9 the explanation's substance by the members of the general assembly.
- 10 This bill relates to opioid abuse prevention and treatment
- 11 by creating an opioid abuse prevention and treatment workgroup
- 12 and an excise tax on the gross receipts of certain controlled
- 13 substances sold at wholesale and providing for the transfer of
- 14 the excise tax revenues to a newly created fund.
- 15 The bill establishes an opioid abuse prevention and
- 16 treatment workgroup within the department of public health.
- 17 Under the bill, the membership of the workgroup includes one
- 18 physician, one pharmacist, one social worker, one advanced
- 19 registered nurse practitioner, one representative of a county
- 20 board of health, one representative of a substance abuse
- 21 treatment program licensed under Code chapter 125, one person
- 22 who has been treated for and has recovered from opioid abuse,
- 23 and two persons who are not licensed to practice medicine,
- 24 pharmacy, social work, or nursing who shall represent the
- 25 general public.
- 26 Under the bill, the workgroup is required to promote
- 27 meetings and programs for the discussion of methods to reduce
- 28 opioid abuse and disseminate information in cooperation
- 29 with any other department, agency, or other governmental
- 30 or nongovernmental entity on the prevention, evaluation,
- 31 care, treatment, and rehabilitation of persons affected by
- 32 opioid abuse. The bill also requires the workgroup to study
- 33 and review current prevention, evaluation, care, treatment,
- 34 and rehabilitation programs and strategies and recommend
- 35 appropriate preparation, training, retraining, and distribution

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- 1 of personnel and resources in the provision of services to
- 2 persons with opioid abuse issues through treatment programs
- 3 licensed in accordance with the administrative rules of the
- 4 department.
- 5 The bill directs the workgroup to make recommendations to
- 6 the department to expend moneys deposited in the opioid abuse
- 7 prevention and treatment fund to carry out the recommendations
- 8 of the workgroup in accordance with criteria set forth in
- 9 Code section 135.191. The bill also directs the workgroup to
- 10 make recommendations to the state board of health to approve
- 11 administrative rules for adoption by the department relating to
- 12 the workgroup's recommendations.
- 13 The bill imposes an excise tax of 5 percent on the gross
- 14 receipts of schedule II controlled substances sold at wholesale
- 15 to practitioners in the state. The tax shall be collected and
- 16 paid over to the department of revenue by the wholesaler. The
- 17 bill contains definitions for "gross receipts", "practitioner",
- 18 "schedule II controlled substance", and "wholesaler".
- 19 The bill requires the director of revenue to administer
- 20 the excise tax as nearly as possible in conjunction with the
- 21 administration of the state sales and use tax laws, and, to
- 22 that end, the bill incorporates by reference several Code
- 23 sections that relate to general tax administration and the
- 24 sales and use tax laws.
- 25 The bill requires excise tax revenues collected pursuant
- 26 to the bill to be deposited in the general fund of the state,
- 27 then transferred to the opioid abuse prevention and treatment
- 28 fund created in the bill. The fund is created in the state
- 29 treasury under the control of the department of public health.
- 30 The fund is established to assist opioid abuse prevention and
- 31 treatment programs in the state, including but not limited to
- 32 programs described in the bill. The fund consists of moneys
- 33 deposited in the fund from the revenues of the excise tax, and
- 34 any other moneys obtained by the department for placement in
- 35 the fund. Moneys in the fund are not subject to Code section

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- 1 8.33. Notwithstanding Code section 12C.7, interest or earnings
- 2 on moneys in the fund shall be credited to the fund.